THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Government has given approval for induction of certain foreign investors as shareholders in the BSE and NSE, in accordance with its policy on foreign investment in stock exchanges.

(b) and (c) As required by the BSE (Corporatisation and Demutalisation) Scheme, 2005 and the Regulations framed by SEBI, BSE is required to reduce the equity shareholding by its trading members to 49%.

The member brokers to not have any stake in NSE.

(d) and (e) BSE has informed that depending upon the need and circumstances, it may consider IPO at an appropriate time.

NSE has informed that presently no plan for an IPO is under consideration.

Financial irregularities by Directors of CSB Kerala

4347. SHRI P.R. RAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether any court cases are undergoing against any directors of Catholic Syrian Bank, Kerala for financial irregularities;

(b) if so, the steps initiated on the matter;

(c) whether RBI is enquiring the reasons for the resignation of the CSB's former Chairman;

(d) whether the complaints have been received by RBI about the functioning of the CSB; and

(e) if so, the details of the action taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) A criminal Miscellaneous Petition (CMP 3585/2006) has been filed by a shareholder of the Catholic Syrian Bank Ltd. before the Chief Judicial Magistrate, Thrissur against the bank, its former Chairman and current Cairman (since resigned), its Directors and officials in connection with certain leasing transactions undertaken by the bank during the year 1994-95. The Court has *vide* order dated February 03, 2007, appointed an Assistant Audit Officer to conduct an enquiry into the allegations stated in the complaint. RBI has, however, advised the Bank to explore the option of requesting the Court to appoint statutory auditor of the Bank to conduct an investigation in the matter.

(c) The bank has informed to RBI that Shri N.R. Achan resigned as Chairman & CEO due to ill health.

(d) and (e) RBI has reported that it has not received any complaint against the overall functioning of the Catholic Syrian Bank. However, recently, RBI has received complaints pertaining to certain specific transactions/issues. These complaints are under examination of RBI.

Banks in rural and urban areas of Tamil Nadu

4348. SHRI S. ANBALAGAN: Will the Minister of FINANCE be pleased to state:

(a) the number of Public Sector Banks in the urban and rural areas of the State of Tamil Nadu;

(b) whether the present number of banks in rural areas is enough to take care of the interests of the rural areas in the State;

(c) if so, the reasons therefor;

(d) whether more Public Sector Banks are proposed to be opened in the rural areas of the State; and

(e) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As reported by the Reserve Bank of India (RBI), the number of branches of Public Sector Banks functioning in the urban and rural areas in the State of Tamil Nadu as on 31.12.2006 were 786 and 1201, respectively.

(b) and (c) A bank branch of commercial banks was functioning in the State of Tamil Nadu as on 31.12.2006 for an average population of 17,796 against the national average of 15,902 persons per branch.

(d) and (e) In terms of revised Branch Authorisation Policy of RBI, banks are required to submit on an annual basis detailed proposals for opening of new branches at specific centres. Banks are encouraged to open branches in underbanked districts and rural centres. RBI while considering proposals for opening branches gives weightage to the nature and scope of banking facilities provided by banks to common persons particularly in under banked areas.